

## DEPARTMENT OF FINANCE BILL ANALYSIS

**AMENDMENT DATE:** July 15, 2010  
**POSITION:** Neutral

**BILL NUMBER:** AB 2249  
**AUTHOR:** I. Ruskin

### **BILL SUMMARY:** State Government: Disabled Veteran Business Enterprise

This bill would require an applicant or certified firm to submit a written declaration when certifying eligibility as a small business or disabled veteran business enterprise (DVBE), under penalty of perjury, that all information submitted is true and correct. This bill would also, under specified situations, authorize the Department of General Services (DGS) to require the submission of specified federal tax documents.

### **FISCAL SUMMARY**

The DGS estimates costs to revise state contracts to reflect the requirements in this bill would be approximately \$80,000 to \$100,000 and that costs associated with enforcing the expanded definition of a crime would be approximately \$150,000 for administrative services with significant but unknown costs for the Office of Legal Services. These costs would be reflected in DGS rates and would be paid by the contracting agency or department. However, to the extent that this bill results in a deterrent and decreases unfair awards to businesses being awarded bidder preference, the administrative costs in this bill would be offset by lower overall contract costs.

Any local government costs resulting from the mandate in this measure would not be state-reimbursable because the mandate only involves the definition of the crime of perjury.

### **SUMMARY OF CHANGES**

Amendments to this bill since our analysis of the May 11 version are minor and do not alter our position. Amendments include removal of DVBE provisions from this bill that are duplicative of provisions currently included in Military and Veterans Code.

### **COMMENTS**

This bill is intended to further dissuade small business and DVBE applicants from falsely certifying their status and taking advantage of the bidder preference available on state contracts.

Existing law provides for specified bidder preferences to encourage contracting with small, disabled veterans, women's and minority businesses by state entities.

This bill would require an applicant or certified firm to submit a written declaration during the eligibility process for small business or DVBE certification, under penalty of perjury, that all information submitted is true and correct. This bill would also authorize the DGS to require the submission of specified federal tax documents to verify tax information for a DVBE when a complaint is made regarding the DVBE or audit information indicates information provided is incorrect.

Analyst/Principal (0242)	Date	Assistant Program Budget Manager	Date
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Department Deputy Director	Date
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Governor's Office:	By:	Date:	Position Approved _____
			Position Disapproved _____

BILL ANALYSIS	Form DF-43 (Rev 03/95 Buff)
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**BILL NUMBER**

AB 2249

	SO	(Fiscal Impact by Fiscal Year)							
Code/Department	LA	(Dollars in Thousands)							
Agency or Revenue	CO	PROP							Fund
Type	RV	98	FC	2010-2011	FC	2011-2012	FC	2012-2013	Code
1760/Dept Gen Svc	SO	No		-----	See Fiscal Summary	-----			0666
<u>Fund Code</u>	<u>Title</u>								
0666	Service Revolving Fund								